



CSR report 2009

Corporate Social Responsibility

Royal FrieslandCampina N.V.



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Explanatory note

This is the first CSR report published by FrieslandCampina. It presents the main developments and results associated with the corporate social responsibility (CSR) activities undertaken in 2009 by Royal FrieslandCampina N.V.

This CSR report has been compiled in accordance with the guidelines outlined in the Global Reporting Initiative (GRI). It complies with GRI's level B (self-declared).



The CSR report and accompanying GRI table of Royal FrieslandCampina N.V. has been posted on www.frieslandcampina.com. The CSR report, together with the Annual report, is available upon request from the Corporate Communication Department of FrieslandCampina.

We look forward to receiving your questions, comments or suggestions at the following address: corporate.communication@frieslandcampina.com

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Foreword

Dear stakeholder,

The merger between Friesland Foods and Campina on 31 December 2008 provided us with the opportunity to combine the best of both companies and give substance to our ambition to be the most professional, successful and attractive dairy company in the world. In 2009, we began to integrate our activities and develop the strategy of the new company with a focus on continuity and the long term. One important pillar of this strategy is corporate social responsibility (CSR). FrieslandCampina has traditionally always been strongly anchored in the society through its relationship with dairy farmers and its production locations, employees and products.

FrieslandCampina's aim is to produce and market dairy products in such a way as to create sustainable long-term value for our consumers, clients, member farmers, business partners and the communities in which we are active. The way in which we wish to create this sustainable value is reflected in our CSR policy.

We want to contribute to sustainable development for both current and future generations. This means that we are looking for a balance between the results we need to achieve as a company and our efforts on behalf of society and the environment, our employees and the company itself. We will do our best to make all our activities within the dairy chain - the entire route from cow to consumer - progressively more sustainable.

Shortly after it was established, FrieslandCampina adopted five sustainability themes relating to CSR: FrieslandCampina in society, Nutrition & Health, Care for the environment, Dedicated employees and Sustainable agriculture. Through the policy and programmes for each of these themes, FrieslandCampina undertakes to behave ethically and to contribute to economic development, while at the same time improving the quality of life of its employees, the environment and local communities.

In this, FrieslandCampina's first report on corporate social responsibility, we present our policy and the results we have achieved in relation to CSR in 2009.

At FrieslandCampina, we believe that we can work together to make the production chain even more sustainable, in partnership with our member farmers, employees, suppliers, clients and other stakeholders.

Cees 't Hart
CEO Royal FrieslandCampina N.V.

Amersfoort, July 2010



FrieslandCampina themes for corporate social responsibility



FrieslandCampina
in society



Nutrition & Health



Care for the environment



Dedicated employees



Sustainable agriculture



We deliver healthy

Profile of FrieslandCampina

food, every day...

FrieslandCampina provides people around the world with all the good things milk has to offer. FrieslandCampina produces baby and infant food, milk-based drinks, cheese, milk, yoghurts, desserts, butter, cream, milk powder, dairy-based ingredients and fruit-based drinks - products that play an important role in people's nutrition and well-being. Together with our member dairy farmers, we are milk experts who are continually expanding our knowledge of the applications of milk. Such knowledge extends from the quality of the pasture land on which the cows graze to the marketing of tasty cheeses, healthy milk-based drinks and the best possible ingredients for the food and pharmaceutical industries and all steps in between. We deliver healthy food, every day.

...for a billion people worldwide



Our company

Royal FrieslandCampina is a multinational dairy company wholly owned by the dairy cooperative Zuivelcoöperatie FrieslandCampina, which has 15,300 member dairy farms in the Netherlands, Germany and Belgium. Our products are for sale in more than 100 countries. Key regions are Europe, Asia and Africa. Ingredients are sold all over the world. In 2009, sales amounted to 8.2 billion euros. The company employs 20,000 people in 24 countries.



Our milk

By nature, milk is one of the richest sources of food. We process the milk supplied by our member dairy farmers into a wide range of dairy products. Each day over a billion people choose those products as part of their diet. Our dairy products provide not only a unique taste sensation, but also proteins, fats, vitamins, minerals and lactose - building materials and fuels that are important to the health and well-being of people.



Our ambition

Sound market results must bring about a leading milk price for our member dairy farmers. We keep expanding our knowledge of milk by investing in research and development. This will allow us to better leverage the market opportunities that present themselves. We want to be attractive as a partner for our customers and as an employer for our employees. FrieslandCampina aspires to be the world's most professional, successful and attractive dairy company.



Our customers

Consumers around the world buy our dairy products and fruit juices in supermarkets, local shops or on the road. Professional processors in the hotel, restaurant and cafe segment, the bakery sector, and the ice-cream and food industries use our cream and butter products. Food producers and pharmaceutical companies purchase specific dairy-based ingredients.



FrieslandCampina markets strong consumer brands for dairy products, fruit juices and fruit-based drinks, sports drinks, cream and butter products, desserts and ice-cream and milkshake mixes for professional users and ingredients for business customers.

Dairy products: Betagen, Buttergold, Campina, Chocomel/Cécémel, Completa, Dutch Lady, Foremost, Frico, Friesche Vlag (condensed milk and long-life milk), Frisian Flag, Friso, Fristi, Fruttis, Goedemorgen, Joyvalle, Landliebe, Milli, Milner, Mona, Napolact, NoyNoy, Optimel/Optiwell, Peak, Pöttyös, Puddis, Rainbow, Valess, Vifit and Yazoo.

Fruit juices and fruit-based drinks: Appelsientje, CoolBest and DubbelFriss. Sports drink: Extran.



Our brands

Cream and butter products, desserts and ice-cream and milkshake mixes for professional users: Debic, Hollandia and Polderland.

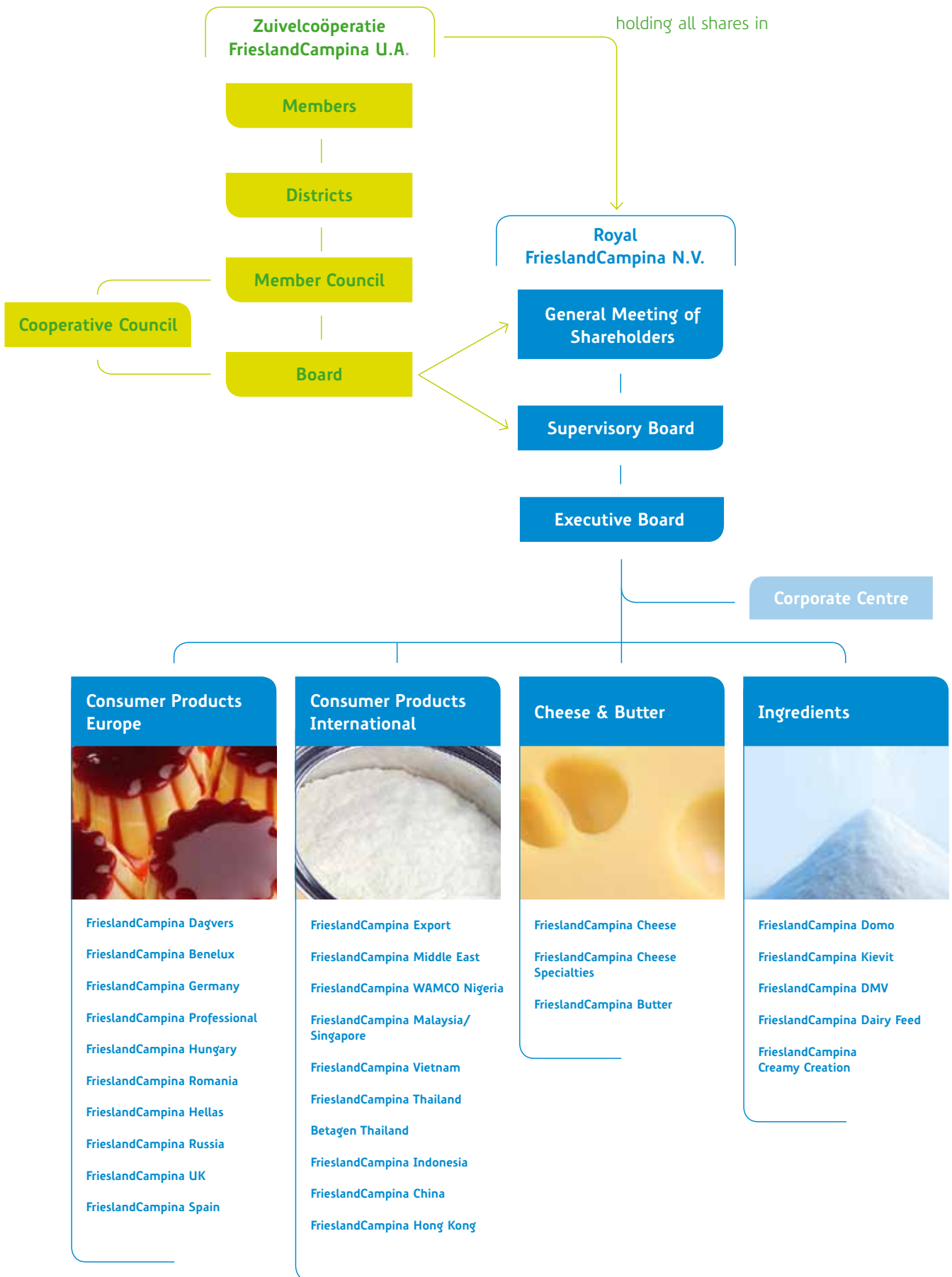
Ingredients for industrial producers: Creamy Creation, DMV, Domo, Kievit, Nutrifeed and DMV-Fonterra Excipients.

Structure and organisation

The 21,062 member dairy farmers of Zuivelcoöperatie FrieslandCampina U.A. in the Netherlands, Germany and Belgium form the basis for the dairy chain. Representatives elected by the members constitute the 21 District Boards, which, in turn, jointly make up the Member Council, which is made up of 210 members. The Member Council chooses the nine members of the Board of the cooperative, who also form part of the company's Supervisory Board. In this way, member dairy farmers are involved in issues that determine the company's policies and in supervising the company. Zuivelcoöperatie FrieslandCampina U.A. holds all shares in the capital of Royal FrieslandCampina N.V.

Royal FrieslandCampina N.V. holds all shares in the capital of FrieslandCampina Nederland Holding B.V., the holding company for the companies in which the Dutch milk-processing activities are concentrated. It also holds all shares in the capital of FrieslandCampina International Holding B.V., in which the foreign activities are carried out. On 30 and 31 December 2009, the legal structure of the underlying companies was changed. On that occasion, the former legal entities of Friesland Foods and Campina carrying out the same type of activities merged.

- Consumer Products Europe makes and markets liquid milk, dairy-based beverages, yoghurts, desserts, coffee creamers and cream throughout Europe. This business group also produces and sells fruit juices and drinks.
- Consumer Products International is responsible for the processing and sale of milk and milk products in Asia, Africa and the Middle East.
- Cheese & Butter is active in the production, ripening and sale of cheese, butter and butter products. Its semi-hard Gouda, Edam and Maasdam cheeses are marketed in many countries throughout the world. The group also focuses on the sale of butter and consumer packaging and on butter, milk fat contents and butter oil for professional clients.
- Ingredients processes, produces and markets dairy ingredients for industrial clients, such as the food sector and the pharmaceuticals industry. This business group has extensive know-how in the application of milk constituents for end products for daily food, infant and toddler nutrition, additives and medicines.



Worldwide

North- and South-America



232



125



6



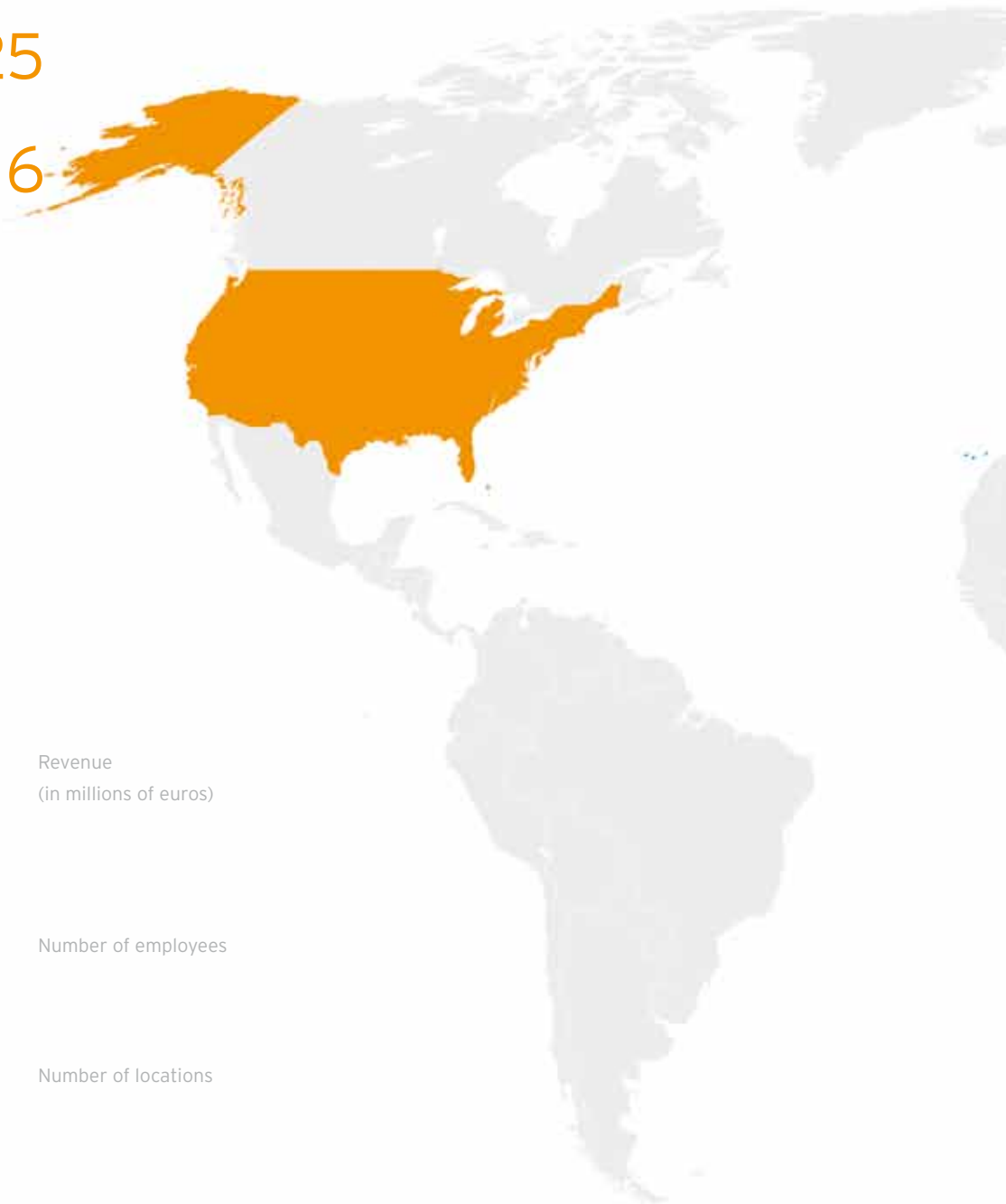
Revenue
(in millions of euros)



Number of employees



Number of locations



Europe

 5,663

 13,970

 86

Asia

 1,425

 4,975

 18

Africa and the Middle East

 840

 964

 5

Key figures 2009

Results

in millions of euros

	2009	2008
Revenue	8,160	9,454
Operating profit ¹	347	276
Operating profit	258	248
Profit for the year	182	135

Value creation²

in euros per 100 kilograms

	2009	2008
Guaranteed price	26.40	35.89
Performance payment	0.59	0.48
Milk price	26.99	36.37
Registered reserve ³	0.35	0.29

Balance sheet

in millions of euros

	2009	2008
Total assets	4,770	4,930
Group equity	1,749	1,480
Equity ⁴	1,652	1,395
Net debt	842	1,494

Cash flows

in millions of euros

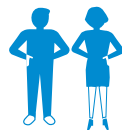
	2009	2008
Net cash flows ⁵	757	351
Investment ⁶	231	240
Depreciation ⁷	206	219



2009 2008

Group equity as a % of total assets

36.7 30.0



2009 2008

Employees (average number of FTEs)

20,034 20,568



2009 2008

Number of member dairy farms at year-end

15,326 15,837

Number of members at year-end

21,062 21,583



2009 2008

Total volume of milk processed (in millions of kilograms)

10,755 11,446

Volume of milk supplied by members (in millions of kilograms)

8,685 8,589

¹ Operating profit before non-recurring expenses

² Value creation for member dairy farmers in euros per 100 kilograms of milk

³ Registered reserve in euros per 100 kilograms of milk

⁴ Equity attributable to equity holders of the company and other providers of capital

⁵ Net cash flows from operating activities

⁶ Investment in property, plant, equipment and intangible assets

⁷ Depreciation and amortisation

FrieslandCampina in the society

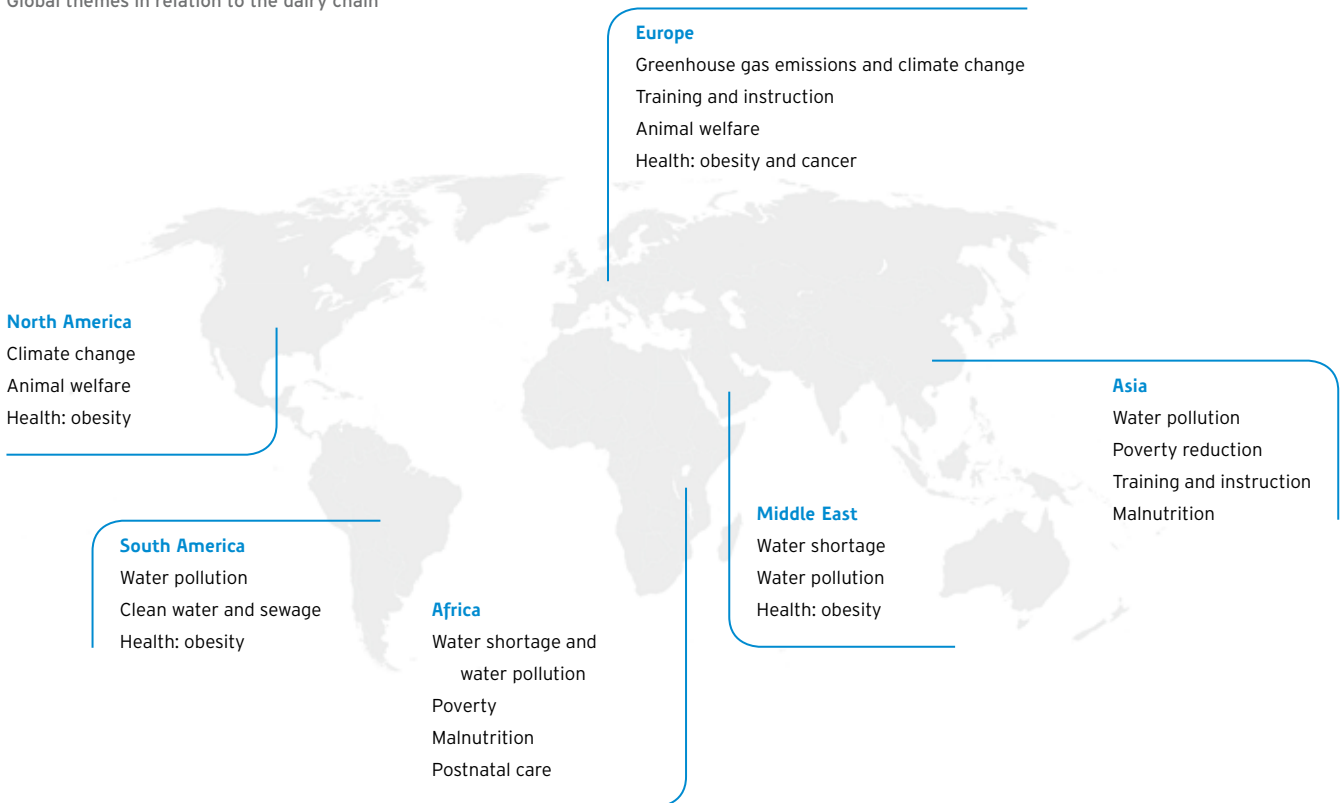
FrieslandCampina sees socially responsible, sustainable business as a permanent part of its commercial operations. Corporate social responsibility is pursued in a practical and relevant way, without losing sight of the need for a sound economic return.

The company attaches great value to establishing and maintaining a good relationship with its consumers, buyers, employees, business partners, civil society organisations and the communities in which it is active. Cooperation and consultation with these and other stakeholders are the foundations of our sustainability goals. These goals relate to global sustainability themes, but also serve the development of local communities.

CSR policy of FrieslandCampina

In 2009, a year after the merger between Friesland Foods and Campina, FrieslandCampina carried out a detailed inventory of the social themes in the various regions where it is active. The knowledge acquired by the two pre-merger companies from sector, chain and life cycle analyses (LCAs) was used to identify relevant sustainability themes. Issue analyses were also carried out in partnership with KPMG Sustainability and TiasNimbas Business School. The world map below shows the main global themes relating to the dairy chain (production, processing and consumption) in each region.

Global themes in relation to the dairy chain



Source: KPMG Sustainability and TiasNimbas Business School

These issue analyses led to the definition of five themes on which FrieslandCampina based its CSR policy:

- FrieslandCampina in society
- Nutrition & Health
- Care for the environment
- Dedicated employees
- Sustainable agriculture

FrieslandCampina uses these themes to respond to social needs to which it believes it can make a meaningful contribution. In 2010, policy will be formulated in more detail for each of these themes, to be used as the basis for concrete objectives and activities. The global standard governing corporate social responsibility, ISO 26000, was used as a guideline.

More information about ISO 26000 can be found on www.iso.org/sr

Embedding the CSR policy

FrieslandCampina's CSR policy falls under the responsibility of the Corporate Environment & Sustainability Department and the Corporate Social Responsibility Board. The Corporate Environment & Sustainability Department reports to the Corporate Public & Quality Affairs Department and is responsible for:

- formulating the CSR strategy and the CSR policy and keeping it relevant
- drafting policy relating to environmental protection, occupational health and safety and fire prevention
- coordinating the implementation of the CSR programme
- communicating the CSR policy to external stakeholders

Together with the CSR Board, this department is responsible for keeping the Executive Board and the management of the business groups and operating companies notified of the progress of the CSR policy. Meanwhile, the business groups and operating companies are responsible for implementing the CSR policy. However, it is ultimately the employees of FrieslandCampina worldwide who will determine the success of that policy.

At the end of 2009, FrieslandCampina appointed a Corporate Social Responsibility (CSR) Board. This board converts the company's CSR strategy and associated objectives into practical measures. In 2009, the CSR Board defined the focus points for the CSR strategy. The CSR strategy and the accompanying objectives and programmes will be further substantiated in 2010.

Members of the CSR Board:

[Cees 't Hart](#)

CEO and chairman

[Bas van den Berg](#) (until 31 December 2009)

Managing Director FrieslandCampina Dagvers Nederland

[Werner Buck](#)

Director Corporate Public & Quality Affairs

[Kapil Garg](#)

Executive director Consumer Products International

[Eric Heres](#) (until 1 March 2010)

Director Corporate Communication

[Robert Koning](#)

Director Corporate Legal Affairs & Company Secretary

[Frank van Ooijen](#) (from 1 June 2010)

Director Corporate Communication

[Jaap Petraeus](#)

Manager Corporate Environment & Sustainability

[Franc Reefman](#)

Marketing director Consumer Products Europe

[Patrick Reekmans](#) (from 1 June 2010)

Managing director FrieslandCampina Benelux

[Atze Schaap](#)

Director Cooperative Affairs

[Jaap de Vries](#)

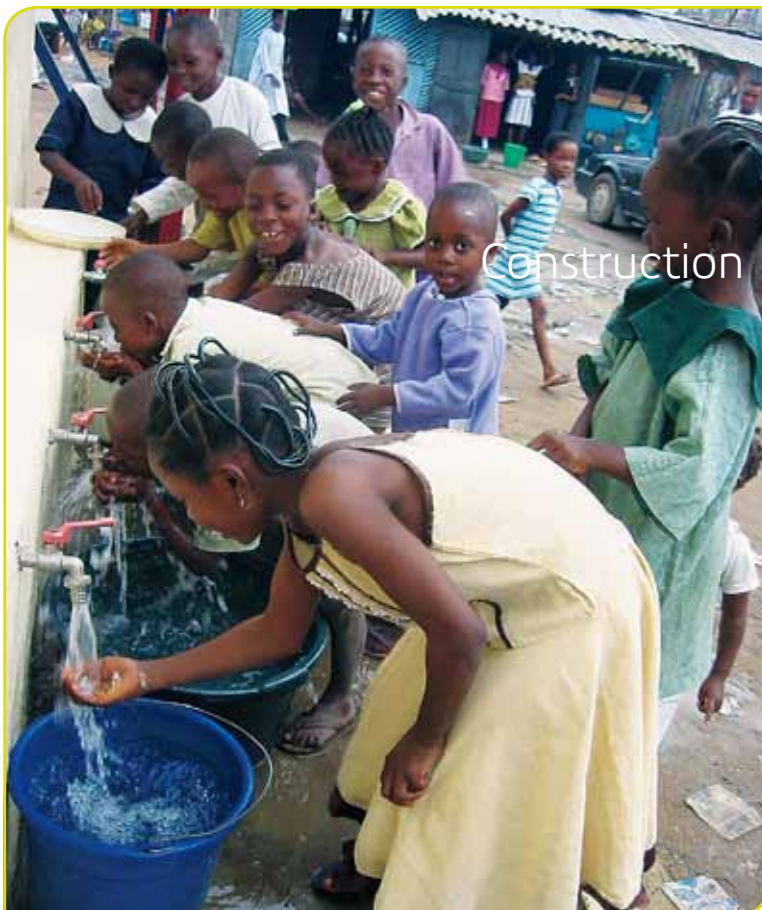
Director Corporate Human Resources

Code of conduct

Following the merger, FrieslandCampina drew up a new code of conduct to encourage correct and principled behaviour on the part of its employees. In the code of conduct, FrieslandCampina adopts the Universal Declaration on Human Rights as a universal standard. It also pledges itself to rule out corruption, child labour, forced labour and discrimination associated with the company and to respect the right of employees to join a trade union. The new code of conduct was drafted in 2009 and will be implemented in 2010. All employees will be asked to fully familiarise themselves with it and to apply it in their day-to-day work. The executive board is responsible for ensuring that the code of conduct is understood by all staff. Compliance will be monitored annually and the findings notified to the audit committee and the Supervisory Board. Employees will be asked to report any infringements.

Whistleblower procedure

To promote transparency and integrity, FrieslandCampina has created a new whistleblower procedure to accompany the code of conduct. FrieslandCampina encourages its employees to make their concerns known if they suspect or are aware of an infringement of the code of conduct. The new procedure serves as a guideline for the specific procedure to follow and protects the whistleblower against disciplinary measures or unfair discrimination. The whistleblower procedure was developed in 2009 and will be implemented in 2010. All employees will therefore be notified of the procedure in 2010 and a local trusted third party will be appointed and instructed in each area of the organisation. A corporate integrity committee has also been appointed, consisting of a member of the executive board, the secretary to the executive board and the corporate compliance officer. The integrity committee is responsible for implementation and ensuring the correct procedures are followed for reporting infringements. It also assesses, investigates and processes reported infringements. Each year, the Executive Board will report on the activities of the integrity committee to the audit committee and the Supervisory Board.



Construction of wells

25 wells have now been built throughout Nigeria with support from FrieslandCampina, nine of which are solar powered.

Business Practices for Suppliers

FrieslandCampina's suppliers are governed by a set of standards known as the Business Practices for Suppliers. These standards cover national and local statutory requirements, industrial standards, human rights, food safety and quality and sustainable business practice. The suppliers' standards are based on the code of conduct and will be implemented in 2010 and 2011.

Transparency

FrieslandCampina is committed to providing maximum transparency for its employees, member farmers, customers, consumers, suppliers, civil society organisations and the authorities. The website www.frieslandcampina.com gives the latest developments, background information and explanations of FrieslandCampina's activities and products. The annual report outlines the main developments and explains the company's financial results. In addition the CSR report, which will be published each year, gives an account of FrieslandCampina's efforts regarding sustainability. FrieslandCampina organises regular meetings for member farmers and consultations with the works councils, the Central Works Council and the European Works Council. Member farmers and employees are also kept informed through the members' magazine, members' website, in-house staff magazine, company intranet and personnel meetings.

The annual report, press releases, latest developments and company information can be found on www.frieslandcampina.com

Open Door Day at farms

In February 2009, nine FrieslandCampina locations held an open door day to generate interest in working for the dairy industry among pre-vocational secondary education students. During these Open Door Days, students were given information about the Young Waves MBO training programme and offered a guided tour and a chance to attend a kind of 'speed dating' session.

Annual CSR report

FrieslandCampina will be publishing an annual CSR report with effect from 2010. The report outlines the company's strategy, policy and progress in relation to CSR. The use of quantified indicators will make it possible to identify and respond to trends in the CSR policy. The information that is gathered each year can then be used to measure the company's performance in each sustainability theme. FrieslandCampina will therefore do its utmost to analyse the data as accurately as possible. To satisfy the information needs of stakeholders, it will use the GRI guidelines and the criteria drawn up for the Ministry of Economic Affairs' transparency benchmark as a guideline when compiling the report. Both instruments are the result of a detailed consultation process with the private sector, civil society organisations and various international agencies.

The CSR report and the accompanying GRI index can be found at www.frieslandcampina.com

More information about the GRI guidelines can be found at www.Globalreporting.org

“FrieslandCampina is one of the companies taking part in Solidaridad’s soy programme, which helps farmers in southern Brazil and India improve the sustainability of their soy production. This, in turn, gives these growers the prospect of a more stable source of income for their families. And it allows us to jointly examine ways to reduce the environmental burden. Working with large multinationals like FrieslandCampina gives us the opportunity to make a real difference.”

Nico Roozen, director Solidaridad

Cooperation with stakeholders

FrieslandCampina attaches great value to maintaining good relations with its stakeholders and is committed to striking the right balance between all the expectations and needs of suppliers, clients, civil society organisations and local authorities - which are sometimes conflicting. FrieslandCampina feels that good cooperation with stakeholders is crucial for sustainable production chains and business processes. Management and the designated employees are encouraged to work with the authorities and other legislative and regulatory bodies to draft laws and regulations, either directly or through branch organisations or partnership alliances. It also maintains regular contacts with various civil society organisations. It does so partly to identify and devise a joint approach to sustainability issues early on, and partly to work on a project basis with organisations such as World Wide Fund, Solidaridad and the Netherlands Society for Nature and Environment with a view to improving the sustainability of supply chains. FrieslandCampina does not support political parties or organisations. A comprehensive list of the external bodies of which FrieslandCampina is a member can be found in the appendix.

Cooperation with civil society organisations in the Netherlands

- Solidaridad
- World Wide Fund
- Dierenbescherming (Animal Protection League)
- Netherlands Society for Nature and Environment
- Natuurmonumenten (Nature Conservation)

Local communities

FrieslandCampina makes an active contribution to a number of targeted initiatives which will help promote the sustainable development of local communities. It is therefore supporting a range of development projects and good causes in regions where it operates production plants. Some examples are described below.

Construction of wells

In Nigeria and Ghana, FrieslandCampina is supporting the construction of wells to supply clean drinking water to local communities. Due to the high price of diesel (which is used to operate the pumps) in 2008, solar-powered wells are now also being used. All the revenue generated from the water savings made at FrieslandCampina's Leeuwarden production plant was used to pay for the construction of additional drinking water wells in Africa. There are now 25 wells throughout Nigeria, nine of which are solar powered.

Den Dom Dom scholarship fund

Since 2002, FrieslandCampina has been providing study grants to bright primary school children in Vietnam who would not be able to move on to secondary education without financial help. Den Dom Dom is funded through sales of Dutch Lady products (a FrieslandCampina brand marketed in Vietnam), with a portion of revenues donated to the scheme. FrieslandCampina employees also collect money on behalf of the initiative. In 2009, a fund-raising campaign organised by a group of young employees in the Netherlands (Young Waves) collected EUR 16,000. Meanwhile, 4,500 study grants have now been provided and a further 4,000 donations have been made to support the 'pairing initiative', in which an able student mentors a pupil who is lagging behind. The fund has also paid for the construction of six Dom Dom schools. The programme is named after Mac Dinh Chi, a poor yet bright youngster. Because his family could not afford to send him to school, he sat outside the classroom and listened to the teacher instead. When it grew too dark to see in the evenings, he would use fireflies (Dom Doms) to help him read and write. Mac Dinh Chi eventually grew up to become a celebrated scholar.

“FrieslandCampina aims to use the school adoption project to contribute to the social and educational development of local communities in Nigeria. Pupils, teachers and the national government are all enthusiastic about the project.”

Nkechi Njemanze, Society Relations Manager at FrieslandCampina WAMCO Nigeria

School adoption project in Nigeria

FrieslandCampina Nigeria has fitted out a computer education classroom at the Ogba Junior Grammar School in Lagos. The classroom is used for teaching ICT and to give children access to computers with Internet connections and other ICT equipment. Pupils and teachers can thus develop their computer knowledge and skills. The ICT classroom is part of the Nigerian school adoption project, in which organisations are helping the government to create a knowledge infrastructure for schools.

Dairy development programme in Vietnam and Indonesia

FrieslandCampina is running programmes to improve the quality of local dairy farming in Vietnam and Indonesia (see page 41).

Objectives

- Implementation of the new code of conduct in 2010
- Implementation of the new whistleblower procedure in 2010
- Implementation of the new Business Practices for Suppliers in 2010 and 2011



Den Dom Dom

scholarship fund

4,500 study grants have now been provided under the Den Dom Dom scholarship fund in Vietnam and a further 4,000 donations have been made.

Nutrition & Health

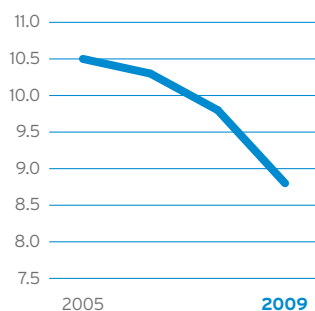
FrieslandCampina gives people across the globe the opportunity to enjoy all the good qualities of dairy. By providing them with a wide range of dairy products, FrieslandCampina meets the daily needs of more than a billion people in every culture and with a wide range of eating habits.

FrieslandCampina's goal is to continue developing products that contribute to a healthy and responsible product range in a choice of options and portion sizes. It also gives considerable attention to information and education surrounding food and nutrition and runs various campaigns to encourage consumers to engage in physical exercise and sports activities. After all, a healthy lifestyle depends on good nutrition combined with adequate physical exercise.

Semi-skimmed milk was introduced to the market in 1968. In the 1970s and 1980s, skimmed and semi-skimmed variants of other liquid milk products also became available. In the 1980s there was more emphasis on the fat content in dairy and the first 30+ cheeses appeared on the supermarket shelves, followed by other products such as 0% yogurt and skimmed milk.

Reduced sugar content in DubbelFriss

added sugar content in grammes/100 ml



The example of DubbelFriss shows how FrieslandCampina is working to gradually reduce the sugar in its products

FrieslandCampina thus makes an ongoing contribution to addressing health issues. Food quality and safety are guaranteed through a comprehensive quality system.

Providing choice and optimising product composition

Most of FrieslandCampina's products are now also available in a light version containing less energy (fat or sugar) or salt. Consumers are thus given the opportunity to make a responsible choice. The company is also working to optimise the composition of its products. A growing number of products are therefore being added to the range which meet the criteria of the 'Choices' logo. And FrieslandCampina is making efforts to gradually reduce the sugar and salt content of its consumer products. Based on the experience it has gained with its (fruit) drinks, FrieslandCampina is now making similar improvements to its dairy products. By progressively adding a little less sugar to its products, it ensures that the reduction is not noticeable. Ultimately, this helps consumers to reduce their energy and salt intake.

Examples include:

- The drinks, yoghurts and desserts sold under the Optimel brand in the Netherlands and under the Optiwell brand in Germany and other countries are either fat-free or contain only 0.1% fat and no added sugar. In the Netherlands and Germany, these products carry the 'Choices' logo.
- FrieslandCampina's Milner cheeses have a substantially lower salt and fat content than ordinary Gouda cheeses. Milner semi-mature contains over 22% less salt, Milner 30+ cheese contains 40% less fat and Milner XtraSlimm (10+ cheese) contains as much as 80% less fat.
- Taksi, Fristi and Yoki are also available in a No Added Sugar option. They are all fat-free and are sweetened with sweeteners and fruit sugars. This means they have at least 30% fewer calories than their regular counterparts. The volume of added sugar in Fristi has been reduced so that the regular version now also qualifies for the 'Choices' logo.
- DubbelFriss Minder Zoet is made from fruit that is naturally less sweet and contains an average of 7 grammes less sugar per glass than its regular counterpart.
- The added sugar content of Campina custard has been reduced by 30.

Reduced salt content in cheese

In 2007, the Dutch cheese industry established the NZO Working Group to reduce the salt content of semi-hard cheese. Its aim was to achieve a 15% salt reduction by the end of 2009. A survey of cheese products sold in Dutch supermarkets carried out for the NZO by an external laboratory concluded that this target was already met in 2008.

Public information and education

FrieslandCampina sees it as its responsibility to carefully inform consumers and professionals about the composition of its products, as well as educating them about nutritional values and nutrition in general.

'Choices'

FrieslandCampina was one of the instigators of the 'Choices' programme, an initiative designed to help consumers make healthy choices. Products bearing the 'Choices' logo contain less salt, sugar and saturated fats. By opting for products that carry this logo, the consumer is offered a simple way to choose the healthier alternative within a particular product group. In 2009, FrieslandCampina marketed over 194 products that met the criteria drawn up by the 'Choices' foundation.

More information about the 'Choices' foundation can be found at www.ikkiesbewust.eu and www.choicesprogramme.org

The essential nutrients in dairy

Dairy products naturally contain many useful nutrients such as proteins, fatty acids, carbohydrates, vitamins and minerals. Milk proteins have a high nutritional value, are easy to digest and rich in essential amino acids. Dairy products account for up to 70% of the recommended daily intake of calcium in a Western diet and help with the absorption of many other key vitamins and minerals such as potassium, magnesium, zinc, phosphorous, selenium, iodine and vitamins B2 and B12. Dairy is a good source of vitamins A and D and contains essential omega 3 fatty acids. Fruit juices such as orange juice and grapefruit juice are also a rich natural source of vitamin C, folic acid and potassium. A glass of orange juice therefore counts as one of the recommended daily intake of five portions of fruit.

FrieslandCampina Institute

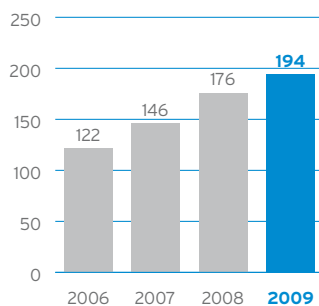
The FrieslandCampina Institute was established to provide information to health professionals in the Netherlands about the nutritional value of dairy products. Dieticians, nutritional advisors and nurses can go to the institute for information and advice on food, dairy and health, based on the most up-to-date scientific knowledge. The institute organises refresher courses, e-learning modules and workshops, and provides information and consumer brochures.

More information about the FrieslandCampina Institute can be found at www.frieslandcampinainstituut.nl



Total number of FrieslandCampina products with the 'Choices' logo

in the Netherlands and Belgium



Campina at school

FrieslandCampina operates a school milk programme, Campina at School, as part of its drive to promote a balanced diet in children. The school milk scheme has been popular in the Netherlands for over 50 years, including among the 110,000 children who have signed up to receive school milk. In 2009, FrieslandCampina adjusted its range so that all the products from Campina's school milk range now carry the 'Choices' logo and fall within the Netherlands Nutrition Centre's preferred or neutral product categories. FrieslandCampina has begun a partnership with Fruitmasters to include fresh fruit with the supply of school milk. FrieslandCampina is also participating in a school milk programme in Germany, where it is the biggest provider of school milk, supplying Landliebe milk to over 5,000 primary and secondary schools in Nordrhein-Westfalen. The semi-skimmed milk it supplies has a 1.5% fat content. In 2009, FrieslandCampina extended its school milk programme to schools in Baden-Wurttemberg.

More information about Campina at school can be found at www.campinaopschool.nl

More information about the school milk programme in Germany can be found at www.landliebe.de

“We have found that direct contact is an effective way to inform the Malaysian population about healthy eating. The NutriBus is a good example of this. We also hold regular events and other get-togethers where we discuss balanced diets and the positive properties of milk.”

Rahul Colaco, Marketing Director,
FrieslandCampina Malaysia

Campina at school

In 2009, FrieslandCampina adjusted its product range so that all Campina's school milk products now carry the 'Choices' logo.





Nutritional advice at health centres in Indonesia

In collaboration with the Indonesia Health Department, FrieslandCampina Indonesia is providing free nutritional advice to mothers with infant children. The 'Pojok Gizi' project was launched by FrieslandCampina in 2006 at 35 local health centres, and initially provided help to approximately 2,100 families. Due to its success, the project was extended to include a mobile variant to enable remote areas to be reached. The use of more and smaller vehicles meant that by 2009, 20,000 families were being visited and given advice. Local communities can also go to the mobile Pojok Gizi to obtain height and weight checks and have their blood pressure taken.

Nutrition centre in Vietnam

FrieslandCampina has opened a nutrition centre in Vietnam to inform consumers about healthy eating. The centre is manned by nutritionists parents can consult for advice on what to feed their children. It also develops teaching programmes in conjunction with parents and paediatricians, organises events and provides training for professionals. The centre arranges these activities in partnership with the Vietnamese Ministry of Health, the National Institute of Nutrition and other stakeholders. Together with the Vietnam Nutrition Association, FrieslandCampina Vietnam has created the Dutch Lady Nutrition Award, which recognises the achievements of young researchers and research institutes in the field of nutrition.

NutriBus on tour in Malaysia

In order to inform the Malaysian population of the importance of a healthy diet, FrieslandCampina Malaysia and the Nutrition Society of Malaysia launched the NutriBus. This mobile education centre offered communities in remote areas comprehensive information about healthy nutrition and the healthy properties of milk in a light-hearted and inventive way. The NutriBus gave visitors the opportunity to measure their Body Mass Index (BMI), use interactive information pillars and obtain advice from nutritionists, including a health check for infants. The NutriBus travelled to a total of 28 different locations and welcomed more than 18,500 on-board visitors.

Optimising nutritional values: incrementally or in one go?

When the nutritional value of a product is being optimised, it is important that the new recipe does not create a variant that is too different from the taste and sensory experience provided by the original product. Gradually removing small amounts of sugar or salt such that the change goes unnoticed by the consumer persuades him to choose a progressively healthy product. A more sudden reduction of detectable quantities of sugar or salt carries the risk that the new product will not be accepted and the envisaged health benefit will be lost.

Promoting physical exercise

In addition to a balanced diet, a healthy lifestyle should include physical exercise. FrieslandCampina is using various initiatives to encourage people to engage in more exercise. Consumers who buy Optimel products can save up for equipment and activities that encourage them to take exercise, such as rock climbing, a Zumba workshop, diving instruction, Nordic walking, a cycling arrangement, a running clinic or a tennis or squash workshop. In Nigeria, FrieslandCampina runs the 'Peak, It's in U' talent show, where participants can demonstrate their abilities as singers, musicians, dancers, footballers or in other forms of sport. Extran sponsors the annual Rotterdam marathon, and in 2009 a skating race was organised in the Netherlands for all employees.

Responsible marketing and advertising

FrieslandCampina abides by local legislation and regulations in its advertising campaigns and by national advertising codes in the country of sale.

Commercials aimed at children

Given that it is sometimes difficult for young children to understand the purpose of advertising, the World Health Organisation and the European Union require producers to adopt a responsible policy with regard to advertising. In 2009, FrieslandCampina defined a new standard for its advertising in the Netherlands for the group as a whole from 1 January 2010. The standard covers:

- advertising in general;
- advertising in general aimed at children;
- advertising aimed at children under 12 within the EU;
- school programmes, including school milk.

For example, if over 30% of the audience for a television commercial in the European Union consists of children under 12, FrieslandCampina will only advertise products that match the EU's proposed nutrient profiles. Until those profiles have been definitively agreed, products must satisfy the criteria specified by the FoodProfiler system. The company's new standard and the voluntary code of the Dutch Food Industry Federation (FNLI) were applied to commercials for FrieslandCampina products in the Netherlands on 1 January 2010.

More information about the FoodProfiler system can be found at www.thefoodprofiler.com

Baby food commercials

FrieslandCampina abides by local legislation and regulations in respect of advertising for baby food. In countries where such legislation is absent, it applies the principles of the WHO International Code of Marketing of Breastmilk Substitutes.

More information about the WHO International Code of Marketing of Breastmilk Substitutes can be found at www.who.int/nutrition/publications/infantfeeding



Food safety and food quality

FrieslandCampina products are made in 68 production locations worldwide and some are produced in more than one location. This makes no difference for the consumer, who must always be able to rely on the same high levels of safety and quality. FrieslandCampina therefore gives high priority to both food quality and food safety.

Foqus quality system

In 2009, FrieslandCampina developed the Foqus system to guarantee food safety and food quality. Foqus is a broad quality control system, which applies both to the businesses of member farmers and to the production and distribution locations of FrieslandCampina itself ('from cow to consumer'). It is based on national and international legislation, Codex standards and the demands of buyers and society in general. Foqus is helping FrieslandCampina to develop an increasingly robust production process.



Foqus Farm

In order to give customers and consumers an assurance that its products are safe and of high quality, FrieslandCampina has developed Foqus Farm, a new quality system for member farmers which came into force on 1 January 2010. The quality system applies to production on the farm and covers all processes up to and including the collection of milk by the milk lorry. It covers the following themes: milk (its quality, the milking process and refrigeration), the cow (animal health), the production process (water and cattle feed) and environmental aspects (outdoor grazing). Foqus Farm is targeted at FrieslandCampina member farmers in the Netherlands. Member farmers in Germany and Belgium are covered by similar national systems such as QM-Milch and IKM. Each of the quality themes is attached to targets and conditions, plus a number of optional priority points. How well a dairy farmer scores on the various quality themes depends on a milk analysis and an evaluation of the business by independent external agencies.

The system also includes an external assessment of the insurance policies taken out by cattle feed companies. Since the beginning of this year, member farmers may only purchase feed from suppliers included on FrieslandCampina's list of approved feed merchants. Companies on this list have had their insurance policies assessed and approved by an independent expert. This fully covers any liability that may arise from contaminated feed without involving any administrative costs for the dairy farmer.



Nutritional advice

at health centres in Indonesia

In 2009, 20,000 families in Indonesia were visited by mobile health centres. These centres, which were established with the help of FrieslandCampina, offer free advice on healthy eating patterns and nutrition.

Foqus Food Safety & Quality

The Foqus Food Safety & Quality (FS&Q) system is used to audit FrieslandCampina's production and distribution locations. One of the main prerequisites is that all the production locations must have a quality system in place which is based on the ISO 9001 norm. In addition, they must all have an externally-audited HACCP certificate. Foqus FS&Q also comprises the following:

- Target instructions containing a clear allocation of responsibilities, for example governing change management and crisis management;
- Instructions governing the resources used, with clear and detailed requirements as regards, for example, microbiology and hygiene;
- A comprehensive audit list based on the Deming circle (Plan, Do, Check, Act);
- Guidelines and best practices.

The audit standard can be used by the operating companies to audit their production plants. It is also used by the internal audit team, which visits and audits all the production locations. FrieslandCampina has specifically opted to use an internal audit team: the auditors come from a range of disciplines (QA, plant management, operations) and carry out their audit role alongside their other duties. This approach yields more in-depth audits and allows the auditors to acquire knowledge which they can later apply and disseminate in their own working environment. Foqus FS&Q was developed in 2009 and will be followed up in 2010 by a comprehensive communications and training course for the audit team, QA and plant management.

Foqus for environmental protection, occupational health and safety and fire prevention

In addition to Foqus Farm and Foqus FS&Q, the Foqus quality system is also used to audit working conditions, fire prevention and environmental aspects. The audits for these priority areas are based on international regulations and norms such as ISO, HACCP, Codex and OHSAS. More information about environmental aspects can be found in the chapter 'Care for the environment'. Safety in the workplace is covered in more detail in the chapter 'Dedicated employees'.

Improvement programmes

FrieslandCampina uses various programmes to improve its performance and corporate culture. 50 locations are currently rolling out improvement programmes such as Continuous Improvements, Total Productive Management (TPM) and/or World Class Operations Management. The aim is to implement one of these programmes at each location by 2012. World Class Operations Management (WCOM) consists of a 'toolkit' containing various improvement methods for use by the designated teams. As members of these teams, operators are fully involved in implementing these improvements. They provide input about how to resolve problems and advise on the optimum adjustment of machinery. Total Productive Management involves a different approach but has the same goals in view - namely, fewer losses, less machinery downtime and better results.



Crisis and issue management

As part of its policy on issue management, FrieslandCampina proactively looks at issues which could potentially affect food safety and product quality. Risk analysis, research and monitoring play an important role in this process. FrieslandCampina also uses a crisis management system which is regularly checked for its adequacy through audits and evaluations.

Product recalls

Occasionally, products may fall short of FrieslandCampina's stringent quality requirements, in which case they are taken off the market. In 2009, FrieslandCampina was involved in product recalls. In Belgium, some products have been withdrawn because they were found to contain unacceptably high concentrations of benzophenol. This substance had been used to print the labels and, in some instances,

had migrated through the plastic PE bottles. In Vietnam, FrieslandCampina recalled some products shortly after the introduction of a new recipe in response to complaints by a few consumers of allergic reactions. Extensive research did not establish any direct link between consumption of the product and these reactions, but after the recall it reverted to the original recipe.

Objectives

- Develop further programmes in 2010 to reduce the sugar and salt content in consumer products
- Implement the Foqus Food Safety & Quality system in 2010
- Implement the environmental protection, health and safety and fire prevention system in 2010
- In 2010 and 2011, implement a programme to improve performances and corporate culture at all locations



NutriBus on tour in Malaysia

In order to inform the Malaysian population of the importance of a healthy diet, Friesland Campina Malaysia and the Nutrition Society of Malaysia launched the NutriBus.

Care for the environment

FrieslandCampina is committed to limiting the environmental impact of its products and processes in proportion with its business activities. The aim is to contribute to a sustainable environment for both current and future generations.

FrieslandCampina feels that the best way it can reduce its environmental load is through an integrated approach to its business operations. Environmental aspects are therefore taken into account in all its operating processes and components, such as Marketing, Sales, Purchasing, Technology, Logistics and Research & Development.

Global Dairy Agenda for Action

The international dairy sector took various initiatives in the lead-up to the Copenhagen Climate Conference in 2009. One of these was the Global Agenda for Action on Climate Change. This was signed in September 2009 by major international dairy organisations, including the European Dairy Association, to which FrieslandCampina is affiliated via the Dutch Dairy Association (NZO). The participants are now actively engaged in research and in sharing knowledge to achieve further reductions in greenhouse gas emissions. A green paper has since been published containing 300 examples of best practices which show how ongoing efforts are being made to further improve the production chain.

More information about the Global Dairy Agenda for Action can be found at www.dairy-sustainability-initiative.org

Agreements with the government and the dairy industry

The environmental legislation of national and/or EU bodies and other regulations and specific requirements imposed by various countries are the guiding principles governing FrieslandCampina's activities. FrieslandCampina concludes multi-year agreements with the government and the dairy industry in the form of covenants to bring about environmental improvements. These agreements can go beyond the statutory obligations.

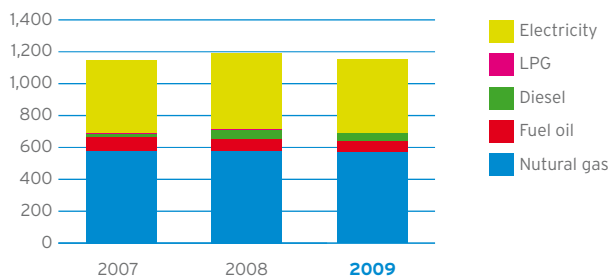
Covenants

In the Netherlands, FrieslandCampina is taking part in the Integrated Environmental Targets Covenant (IMT), the Multi-annual Agreement on Energy Conservation (MJA-3) and the Clean and Energy Efficient Agro-Sectors Covenant.

The aim of the IMT and MJA-3 is to obtain a minimum 2% improvement in energy efficiency per annum, with 1.5% of this to be achieved at the production locations and 0.5% through measures in the chain. New environmental and energy targets are therefore formulated every four years, to be developed into an Energy and Environment Plan for each site. In 2009, all the locations in the Netherlands compiled a new plan for the next four years and submitted it to the government. The license-granting authority assesses the plan and monitors its implementation. The Clean and Energy Efficient Agro-Sectors Covenant consists of a number of agreements that FrieslandCampina has concluded with the Dutch government through its membership of the NZO. The covenant centres on energy saving targets and on the production of renewable energy.

CO₂ emissions

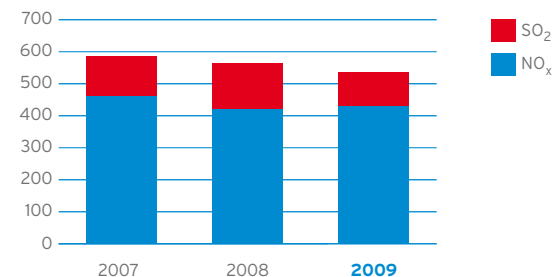
tonnes of CO₂ x 1,000



This shows the CO₂ emissions at FrieslandCampina's production locations. Relative CO₂ emissions in 2009 came to approximately 192 kg of CO₂ per tonne of product.

Other emissions

tonnes of SO₂ and NO_x



This shows the other main emissions from FrieslandCampina's production locations. In 2009, approximately 3,550 kg of HCFK and 2,750 kg of HFK was also emitted from cooling plants at our production locations.

In Belgium, FrieslandCampina is taking part in the Benchmarking Covenant and the Audit Covenant. In both, the company undertakes to be among the global front-runners in terms of energy efficiency by 2012, to be achieved through commercial and non-commercial measures.

Environmental management

All FrieslandCampina's production locations operate an environmental management system that meets the ISO 14001 standards. The environmental risks at these locations are identified with the help of a standardised risk analysis which is applied at all the sites. All the locations compile annual reports on their environmental results. The environmental management system is guaranteed through internal and external audits. Many operating units are ISO 14001 certified or issue a declaration stating that their environmental management system satisfies the requirements imposed by ISO 14001.

Renewable energy

The Dutch dairy sector eventually wants its production processes to be wholly energy-neutral. This means that the entire chain from the dairy farm to the production plant must ultimately be able to meet its own energy requirements by generating energy from biomass and by utilising wind and solar power. By 2020, FrieslandCampina intends to rely solely on sustainably generated energy for its locations in the Netherlands, in the context of agreements concluded within the Dutch dairy industry. In 2009, FrieslandCampina bought 7% of its electricity in the Netherlands renewably and in 2010 this will rise to 15%.

"The production of dairy has an impact on the environment and on the climate. By purchasing renewable electricity from our member farmers, we can help to maintain our position as a publicly accepted industry and to demonstrate that we produce our products sustainably."

Jaap Petraeus, Corporate Manager
Environment & Sustainability

In 2010, FrieslandCampina will begin purchasing renewable energy from its member farmers. This will take the form of green gas or electricity which is generated on the member's farm through biogas units, wind turbines and solar panels. Some 25 member farmers are currently supplying green electricity produced by wind generators. If they supply this electricity to the national grid, they can sell green certificates to FrieslandCampina. This allows the energy to be sold at a guaranteed price and FrieslandCampina to buy in the energy directly. At present, the scheme is confined mainly to the Netherlands, but FrieslandCampina is investigating whether a similar approach can be applied in Germany.



energy

In 2010 FrieslandCampina will start buying renewably produced energy from its member farmers.

Renewable energy: launch in-house production now or await government policy?

The production of energy from renewable sources such as the fermentation of manure calls for innovation and investments in new technology and collaborative partnerships. Clear shared priorities are vital. Unclear and constantly changing government policies make it difficult both to formulate these priorities and to make the right choices for investments in the production of renewable energy.

Natural gas through manure fermentation

Approximately 25 FrieslandCampina member farmers are now generating renewable energy through manure fermentation. One of these is the De Marke experimental farm in Hengelo. This dairy farm, which is operated by Wageningen University and Research Centre, was the first in the Netherlands to have a manure fermentation plant to supply green gas to the national gas network. The green certificates which the farm obtains in return for this energy are bought by FrieslandCampina. In 2009, FrieslandCampina drew up plans with LTO Nederland, its member farmers and the Dutch government to encourage other farms to install manure fermentation units.

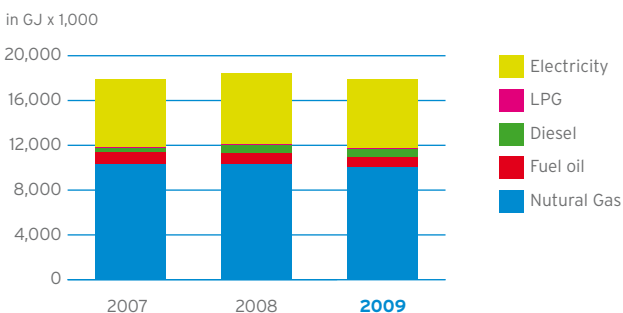
Energy conservation at the new central office

In 2009, FrieslandCampina took delivery of a new central office in Amersfoort. Sustainability aspects were taken into account in the choice and design of its fittings and fixtures. A conscious choice was made to renovate an existing building by installing a new facade with high quality glass insulation panels. The office is run on green electricity and a hot and cold storage unit. Waste is collected separately and the waste flows are weighed and monitored. The building's situation close to the railway station encourages employees and visitors to use public transport. The company has also adopted some far-reaching measures, such as a public transport incentive programme and flexible workplaces at locations in the north, south and east of the Netherlands. As one of the largest employers in the Amersfoort region, FrieslandCampina has signed a covenant aimed at limiting road traffic in and around the city.

More efficient water consumption

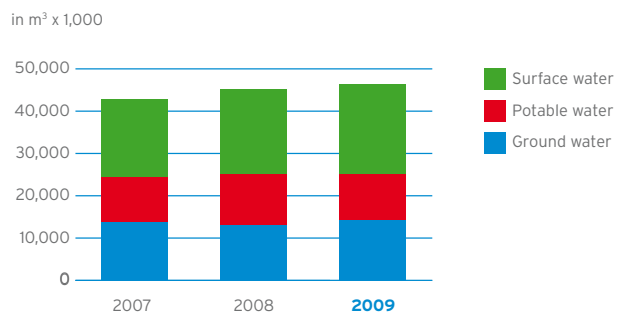
Managing water consumption is an important priority for FrieslandCampina. It is taking steps to reduce its consumption of water and to encourage the recycling of water at various locations. The company has developed new technologies in partnership with drinking water suppliers to enable water to be re-used more often. Recycling clean water and minimising waste water are key to these efforts.

Energy consumption



Energy consumption at FrieslandCampina's production locations is shown here. Relative energy consumption in 2009 came to approximately 2.97 GJ per tonne of product.

Water consumption



Water consumption at FrieslandCampina's production locations is shown here. Relative water consumption in 2009 came to approximately 7.7 m³ per tonne of product. COD emissions at the production locations totalled approximately 2.6 kg per tonne of product.



Recycling water

In 2009, FrieslandCampina Indonesia started work on the installation of a waste water recycling system with which its consumption of ground water reduces by 50%.

Recycling water

FrieslandCampina DOMO's production plant in Bedum looked at how water could be used more efficiently during the production process. It found that a high volume of potable water was being used and that process water was being discharged following treatment. A plan was therefore drawn up for the entire site with a view to using as much process water as possible for cleaning installations. The result was a saving of 150,000 m³ of potable water (corrected to take account of an increase in volume).

In 2009, FrieslandCampina Indonesia started work on the installation of a waste water recycling system, with support from the Dutch government. This system, the first of its kind in southeast Asia, converts waste water into treated water used to clean central heating boilers, cooling systems and installations. Lack of clean water is a nationwide problem in Indonesia due to the sharp fall in ground water levels during the dry season and the growing problem of ground water pollution. The new system helps Frieslandcampina Indonesia to reduce its consumption of ground water by 50% and its use of (treated) waste water by 25%.

More environmentally-friendly packaging

FrieslandCampina Benelux and FrieslandCampina Dagers have launched initiatives to reduce the environmental load of their packaging in 2010 as part of an overall strategy to ease this burden. These efforts relate to both primary and secondary packaging. In 2010, a new packaging strategy will be formulated, centring on the following themes:

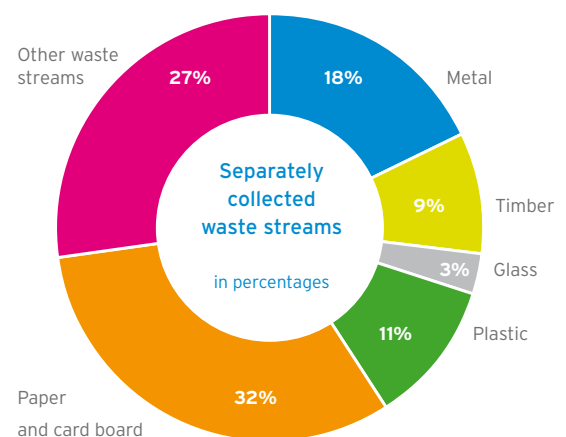
- reduce the weight of packaging (reducing materials);
- encourage the use of mono-materials;
- encourage the use of renewable raw materials (such as board from sustainable forestry);
- encourage re-use (e.g. recycling of materials);
- non-use of / eliminate undesirable materials (such as PVC).

Waste

Waste is collected separately wherever possible, both at production locations and from office sites. The total volume of waste collected from FrieslandCampina's production locations in 2009 totalled approximately 16,000 tonnes, of which almost 500 tonnes was classified as hazardous waste. The distribution of the separated waste streams from the production locations is shown at the bottom of this page.

Objectives

- Achieve a minimum 2% energy efficiency improvement per year, with 1.5% of this to be achieved at the production locations and 0.5% through measures in the chain
- 15% of electricity for production locations in the Netherlands to be purchased sustainably in 2010 and 100% renewable energy by 2020



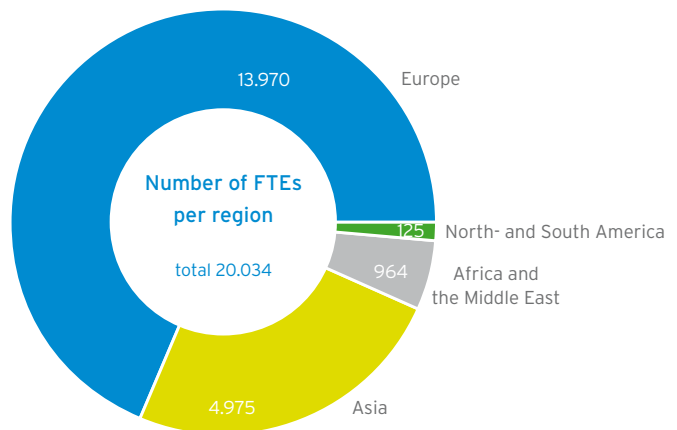
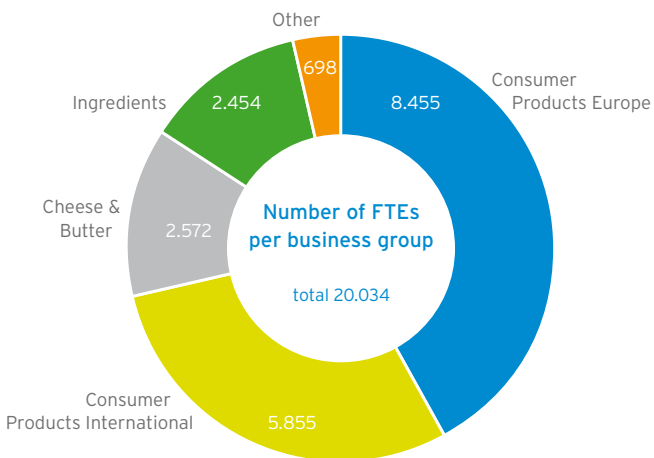
Dedicated employees

FrieslandCampina wants to be a challenging employer that respects its employees and inspires them to give of their best. Priorities include training and development, a remuneration system and performance-led management. Safety on the shop floor and the health of employees are at the top of the list of priorities for the production locations.

Employee involvement

FrieslandCampina wants to be the world's most professional, successful and attractive dairy multinational. This calls for a working ethos that enables employees to grow together. 'The Way we Work' was introduced within FrieslandCampina as a strategy to help build the right working atmosphere and culture to realise its goals. The envisaged working method is based on three pillars and is aimed at all employees in all countries and at all levels.

- 'Embrace challenge' represents a daring 'can-do' attitude. This clears the way for the company to work even more creatively and generate more added value through milk.
- 'Grow together' highlights the importance of teamwork and of helping and learning from each other. The recent merger which created FrieslandCampina makes teamwork and knowledge sharing even more important and valuable. It brings the potential of the company and its employees to full fruition.
- 'Feel accountable'. Rather than simply concentrating on tasks, the company will in future focus on the results it hopes to achieve. This approach calls for clearly formulated agreements and expectations concerning everyone's responsibilities in attaining those results. Beyond that, it requires a willingness on the part of each member of staff to take up and accept their individual responsibilities.



Approximately a quarter of FrieslandCampina's employees are female.

“We have developed practical training courses for different groups of employees. In doing so, we work with our own staff on a ‘train the trainer’ basis, so that one employee can transfer the knowledge he has acquired to his colleagues. Employees need to understand the processes, they need to know how procedures work and they must be able to implement them adequately and to the appropriate level.”

Valon Tahiri, training coordinator at
FrieslandCampina Cheese in Wolvega

FrieslandCampina uses a performance management system to give employees guidance in operating according to the principles of ‘The Way We Work’. Objectives and behavioural skills have been drawn up for each pillar so that the development of employees can be more effectively guided and assessed. In 2009, an abridged version of this system was introduced, to be followed by the full version with effect from 2010.

Employee satisfaction

Employee satisfaction is a key indicator of how FrieslandCampina is performing as an employer. The Employee Satisfaction Survey (ESS) is a structural indicator of how employees perceive their work. The results of the survey, which FrieslandCampina intends to hold every two years, are used to highlight areas for improvement.

Training and development

FrieslandCampina sees its employees as a valuable asset and is working towards maximum employee involvement at all levels. It therefore wants to create an attractive, challenging and inspiring working environment with plenty of scope for both personal and professional development. There are training programmes for all job levels and at all production locations.

E-learning

FrieslandCampina uses the intranet to maintain contact among its employees all over the world. Knowledge sharing and teamwork are central to this effort. E-communication also enables major savings on paper consumption. The company operates various e-learning systems which provide employees with ongoing training based on teaching modules relating to safety, quality, working conditions and hygiene. The content of the teaching modules has been adapted to the various jobs.

In 2009, FrieslandCampina launched a pilot project for a Learning Management system, an online knowledge platform where employees can undergo training and look up information. The training provided via e-learning is customised so that employees can follow the courses whenever they wish, thus substantially reducing costs and travel times. The system has since been tested by various departments.

Young Waves training programme

In 2009, FrieslandCampina offered young trainees a training programme entitled ‘Young Waves’, centring on a work-learning combination. Students attend a senior vocational course (MBO) which is provided in conjunction with the Agricultural Training Centres in Friesland and the eastern Netherlands. Those who successfully complete the programme qualify for a permanent job as a food operator at FrieslandCampina. All the newcomers who opted for the work-learning combination were eligible for one of the ten individual training grants valued at EUR 2,000 per academic year.

Safety and health

FrieslandCampina wants to protect its employees from work-related accidents and occupational diseases. Developing a safe workplace is an ongoing process whereby considerable attention must be focused on physical risks, noise hindrance and hazardous substances. All FrieslandCampina’s production locations uphold safety at work with the help of a management system that meets the criteria specified by the OHSAS 18001 (Occupational Health and Safety Assessment Series), an international norm governing safety and health on the shop floor.

Healthy organisation and employees

A low rate of sickness absence is a good indicator of the health of an organisation and its employees. It also creates a sense of calm and continuity within day-to-day operations and keeps down extra staffing costs. The aim is to minimise and control levels of sickness-related absenteeism and to put in place the resources to do so. To achieve this, FrieslandCampina is promoting a climate of open and timely communication, trust, teamwork and commitment. Occupational reintegration is tailored to the employee's own capabilities. This involves setting in motion various actions to accelerate the employee's return to the workplace in a responsible way. Examples include the deployment of (professional) help and supervision as well as the (temporary) adaptation of job-related tasks and/or conditions. Managers are offered training in absence management, which includes instruction in relevant skills and legislation.

In 2009, the rate of sickness absence remained unchanged from 2008 at 3.2% (estimate based on 60% of the total number of FTEs). In the Netherlands, sickness absence in 2009 came to 4.8%. The rate of sickness absence shows how many days employees have been unable to work due to accidents and illness (excluding maternity leave) as a percentage of the total number of days available for work. The target for 2010 is to maintain the rate of sickness absence in the Netherlands below 5%.

Based on an estimate using available data from the production locations, the accident frequency ratio in 2009 was 2.5. The accident frequency ratio shows how many accidents have occurred per 200,000 hours worked. According to this same estimate, the accident severity ratio in 2009 came to 263. The accident severity ratio indicates how many days FrieslandCampina employees were unable to work due to accidents for every 200,000 hours worked.

Improvement programme in Thailand

FrieslandCampina Thailand's production site in Bangkok operates an employee involvement programme, which provides feedback about staff requirements to the management. This is then used to adjust the working environment to enable employees to deliver an optimum performance. The programme also focuses on 'feel good' factors such as clarity about the role and opportunities for individual development. A WCOM programme to improve the quality of work has also been launched at the production location. A matrix is used rather than the normal line structure within an organisation. The results have been impressive. Material losses have been reduced by more than 2% to below 0.5%. Packaging losses have been halved, failure costs fell by 82% and Overall Equipment Effectiveness rose 12 to 14%.

Safety awareness programme

FrieslandCampina wants to substantially reduce the number of work-related accidents over the coming years and has developed a global training programme to help achieve this. The Safety Awareness Programme makes employees at all the locations conscious of safety risks. It consists of a series of quick scans designed to assess safety levels and identify relevant developments, followed by management workshops and safety awareness training for employees. The target for 2010 is to conduct a quickscan for all locations and to provide awareness training at a large number of locations, with the remainder to follow from 2011 onwards.

Social consequences of the merger

On 30 December 2008, Friesland Foods and Campina merged to form a single company: FrieslandCampina. This involved major changes for many employees. The content of some jobs was redefined, while others were eliminated due to duplication. Certain jobs were relocated and one or two locations were closed down. At the same time, the growth and development of the company also created new opportunities for employees. If a job becomes redundant, FrieslandCampina will do its utmost to find the employee suitable new employment, preferably within the company. However, if an opportunity does not arise within a reasonable period of time, every effort will be made to find the individual a job elsewhere.

“Ultimately, it’s not about which model you use. It’s the people who make the difference. WCOM therefore requires a change of culture. Employees must be encouraged to share in thinking about solutions, rather than simply following their manager’s instructions.”

Sardar Ahmed, Operations Director, FrieslandCampina Thailand

Social Plan

Prior to the merger, a Social Plan was drawn up for locations in the Netherlands. This plan was approved by the trade unions and other stakeholders, and took effect on 1 January 2009. The FTE complement at FrieslandCampina fell by 534 in 2009. Approximately half of these reductions were a direct result of the merger.

Mobility centre

In order to help employees find suitable new employment, a mobility centre was established at locations where changes were taking place due to the merger. The mobility centre is intended for employees whose jobs have changed substantively or disappeared as a result of the merger, a reorganisation or a closure. Employees work with the re-employment advisor to draw up an individual placement plan and can attend a customised job application training, assessment or instruction.

Mediation committees

Local mediation committees have been appointed to supervise a merger-related closure or reorganisation. Their purpose is to ensure the correct application of the Social Plan. The committees consist of four members: two from the works council at the location concerned, a local human resource manager and a location manager or the most senior management representative of the operating unit.

Placement committees have been appointed at locations receiving new employees, to oversee their supervision, intake and development.

Objectives

- Further implement ‘The Way We Work’ strategy in 2010
- Maintain the rate of sickness absence in the Netherlands below 5% in 2010
- Ensure safety awareness training at the locations in 2010 and 2011
- Introduce the full version of the Performance Management System in 2010
- Make accident frequency ratios more reliable by standardising definitions in 2010



The Way we Work

‘The Way we Work’ was introduced within FrieslandCampina as a strategy to help build the right working atmosphere and culture to realise its goals.

Sustainable agriculture

FrieslandCampina believes it is important that milk and the raw materials required to produce dairy products be sustainably produced. This calls for farming methods with a minimal impact on the environment and which contribute socioeconomic benefits for local communities.

Central to this approach is cooperation with member farmers, suppliers and the local communities themselves. FrieslandCampina uses this strategy to make dairy farming and international raw material chains more sustainable.

Making Western European dairy farming more sustainable

The Dutch dairy sector has concluded various agreements with the government and other parties to work towards sustainable dairy production and a sustainable dairy industry. They include:

- The Clean and Efficient Agro-Sectors Covenant (see page 32);
- The Sustainable Stockbreeding Implementation Agenda;
- The Sustainable Dairy Chain action programme.

Sustainable Stockbreeding Implementation Agenda

In May 2009, FrieslandCampina committed itself to the Sustainable Stockbreeding Implementation Agenda through its membership in the NZO. The agenda contains six spearheads: innovative stabling and stockbreeding systems, animal health and welfare, social embedding of sustainable stockbreeding, energy and environmental protection, market and business operations and responsible consumption. In the context of the implementation agenda, FrieslandCampina works with the Animal Protection League (Dierenbescherming), the Netherlands Society for Nature and Environment, LTO, the Interprovincial Consultative Committee, the Ministry of Agriculture, Nature and Food Quality and organisations representing the meat processing industry.

Sustainable Dairy Chain action programme

In July 2008, FrieslandCampina announced that it would be working towards the goals of the NZO and LTO as encapsulated in the Sustainable Dairy Chain action programme. These goals have been developed into three themes:

- Energy and climate: energy-neutral production by the dairy chain;
- 'The cow is key': encouraging outdoor grazing and measures to promote the health and welfare of dairy cattle;
- Biodiversity: carefully positioning the development of the business in the natural environment of the dairy farm and promoting a responsible cultivation of livestock feed.

Animal health monitor

To monitor the health of cows, FrieslandCampina uses the ongoing animal health monitor (CDM), which is part of its new Foqus quality system. Monitoring is based on existing data. The system was developed in conjunction with dairy farmers and animal health experts and gives livestock farmers a considerable amount of practical information they can use to monitor the health of their cattle. Over 5,100 FrieslandCampina dairy farmers are now using the CDM.

Encouraging outdoor grazing

FrieslandCampina is encouraging its dairy farmers to release their cows to pasture. In 2009 nearly 80% of these members practised outdoor grazing.



The new Landliebe strategy

Landliebe, one of the best-known dairy A brands in German supermarkets, distinguishes itself from other brands by guaranteeing that its milk comes from cows that are only given feed produced from local crops and regionally produced raw materials containing no genetically modified organisms. This natural character more closely matches consumers' wishes and helps to reduce the distance the feed has to be transported.

Outdoor grazing

Cows released to outdoor pasture have the benefit of plenty of room in which to graze. Grazing cows are also an integral part of the Dutch cultural landscape. FrieslandCampina is encouraging its dairy farmers in the Netherlands, Germany and Belgium to release their cows to pasture through its meadow-grazed milk programme. Farmers who meadow graze their herds for at least six hours a day, 120 days a year receive a small financial incentive. The meadow-grazed milk programme and the visibility on supermarket shelves of milk obtained from pasture-grazed cows also encourage consumers to become committed in the theme. All the daily fresh dairy products sold under the Campina label in the Netherlands and the Landliebe label in Germany are made from pasture-grazed milk, as are FrieslandCampina's organic dairy products.

FrieslandCampina member farmers in the Netherlands can apply to Stichting Weidegang for advice on outdoor grazing. Stichting Weidegang gives dairy farmers practical information about meadow grazing their cows, including in situations where it may be difficult to do so (for example if a farmer has a large herd, little space for grazing or an automated milking system). The vast majority of FrieslandCampina's member farmers put their herds out to pasture. Under the Foqus quality system, checks are carried out to ensure that this practice is being carried out.

More information about meadow grazing can be found at www.weidegangadvies.nl

Making dairy farming outside Western Europe more sustainable

FrieslandCampina is taking steps to buy a substantial volume of its milk in the countries where its products are sold. The company supports local dairy farming in these countries through investments or programmes to improve milk quality and production, the business operations of dairy farms and the lives of local communities. It always seeks to forge a sustainable alliance among dairy businesses, local authorities, dairy cooperatives, communities and farmers. This helps the development of local dairy farming and boosts the economic development of the communities concerned.



“It's wonderful to see how enthusiastic dairy farmers in Vietnam are, and it gives you a great feeling to know that you can do something for them. I'm glad to be able to give something back to the cooperative.”

Jan Heida, retired dairy farmer and first participant in the 'farmer helps farmer' initiative in Vietnam

Dairy Development Fund

FrieslandCampina has two production plants in Vietnam which produce dairy for the local market. FrieslandCampina is investing in the development of dairy farming there through the Dairy Development Fund. For example, the fund gives farmers access to a team of animal health experts who obtain regular training in the Netherlands. Farmers themselves can also go on a training course to learn more about milk quality, hygiene and the health aspects of dairy. And they are given study material and access to the services provided by FrieslandCampina employees. One such service is the 'farmer helps farmer' initiative, in which Dutch farmers give advice and practical tips to their Vietnamese counterparts.

Sustainable cooperation in Indonesia

In 2009, FrieslandCampina launched a development programme in the milk-producing region of Pengalengan in West Java. Sustainable cooperation among dairy companies, local authorities, dairy cooperatives and farmers is key to this scheme. The programme is designed to help farmers produce quality milk in higher volumes and to improve the quality of life of local communities. For example, Dutch experts are helping with the construction of cattle pens, while investments are being made in equipment and training is being offered in milking, milk treatment and processing, stockbreeding and the processing of animal

Making raw materials more sustainable: certified production chains or sector-wide standards?

FrieslandCampina is working on various ways to increase the sustainability of dairy and raw materials such as cocoa, fruit and soy. For example, it is buying in raw materials often derived from production chains that have been certified sustainable. The consumer can thus be clearly informed about how the product has been made more sustainable. However, there are not always enough certified raw materials available. FrieslandCampina is therefore also playing an active role in working groups and stakeholder dialogues to develop standards and share knowledge. Sector-wide standards and the dissemination of best practices can help bring an entire cultivation process to a higher level. By working in these various ways, FrieslandCampina ensures that it stays ahead in making raw materials more sustainable.

waste. A laboratory is also being built where farmers can have the quality of their milk tested. In addition, FrieslandCampina is working with the local society and the Indonesian government on a project involving water quality, waste processing and food information.



Sustainable development in Indonesia

In 2009, a development programme was launched in Indonesia in order to help farmers produce quality milk in higher volumes and to improve the quality of life of local communities.

Close cooperation in Thailand

In the second half of 2009, a number of dairy advisors and employees from the Thai Ministry of Agriculture visited the Netherlands to talk to FrieslandCampina personnel and dairy farmers about ways to improve animal health and farm management (early feeding of calves, roughage and concentrates, clean water). The group included senior managers and other representatives from Thai dairy cooperatives and members of the research sector and government, as well as the Thai Minister of Agriculture. The next step is to have the model tested at a number of pilot farms in Thailand.

Making international supply chains more sustainable

In addition to milk, FrieslandCampina also uses a number of raw materials in its products, such as fruit, cocoa, soy and sugar. It buys these materials through its suppliers and makes a number of related stipulations, mainly concerning environmental load and social conditions. Together with NGOs and various other players in the chain, FrieslandCampina is working to further improve the sustainability of raw material chains.

FrieslandCampina is involved in the following initiatives:

- Sustainable Agriculture Initiative Platform (www.saiplatform.org)
- Sustainable Soy Initiative
- Sustainable Soy Task Force (www.taskforceduurzamesoja.nl)
- Roundtable on Responsible Soy (www.responsiblesoy.org)
- UTZ Certified (www.utzcertified.org)
- World Cocoa Foundation (www.worldcocoafoundation.org)
- Roundtable on Sustainable Palm Oil (www.rspo.org)

Sustainable Agriculture Initiative Platform

FrieslandCampina is an active member of the Sustainable Agriculture Initiative (SAI) Platform. This platform was launched by the food industry and is designed to promote sustainable farming worldwide. Many leading international food companies have joined the platform to share their knowledge and expertise. They will jointly decide on sustainability indicators and best practices with a view to applying sustainable farming methods to mainstream production. Within the SAI Platform, FrieslandCampina is part of the Fruit and Dairy working groups. These groups have agreed sector-wide definitions and sustainability indicators, and have exchanged examples of best practice. The sustainability indicators for fruit have been included in the audit

In India, a 20-30% increase in production per soy farmer was achieved through the SOYPSI programme. As a result, farmers will find it easier to meet their basic needs and will require relatively less land for the cultivation of soy.

programme of Sure Global Fair (SGF), providing a standard that is now used by leading food companies. In the case of dairy, a life cycle analysis has been carried out for the dairy chain and FrieslandCampina has contributed to an FAO report on CO₂ emissions by the dairy sector.

More information about the Sustainable Agriculture Initiative Platform can be found at www.saiplatform.org

Making soy production more sustainable

FrieslandCampina has an active policy of working towards the use of responsibly grown soy in the feed concentrates supplied to its member farmers. Together with producers and civil society organisations, it is making an effort to promote socially responsible soy production and find ways to improve the sustainability of the soy chain. The aim is that by 2015, the Dutch feed supply industry will only buy soy that has been grown in accordance with the criteria drawn up by the Round Table for Responsible Soy (RTRS).

Sustainable Soy Initiative

Prior to the formulation of sustainability criteria by the RTRS, a number of Dutch companies - including FrieslandCampina - began working together as part of a temporary initiative known as the 'Sustainable Soy Initiative'. Its purpose is to make use of a growing volume of soy from South America each year which has not been grown in areas that have recently been illegally cleared and which also meet a number of sustainability criteria such as not using child labour, taking a responsible approach to the environment and applying good agricultural practices. The aim is to make use of 100,000 tonnes of sustainably grown soy in 2010 and 150,000 tonnes in 2011. Once the RTRS has formulated sustainability criteria which can be applied, the participating parties will switch to these criteria.

Round Table for Responsible Soy

FrieslandCampina is an active member of the RTRS, an international platform in which soy producers, the soy trade, the processing industry, banks and civil society organisations work together to formulate and apply sustainability criteria governing soy cultivation worldwide. In the Netherlands, FrieslandCampina is a member of the Sustainable Soy Task Force, a platform of Dutch companies in the soy chain that is committed to help bring about sustainable soy cultivation. The Task Force holds regular talks with the government and civil society organisations about the international contribution organisations in the Netherlands could make to a more sustainable soy industry.

More information about the Round Table for Responsible Soy can be found at www.responsiblesoy.org

More information about the Sustainable Soy Task Force can be found at www.taksforcesustainablesoja.nl

Soy Producer Support Initiative

Solidaridad, World Wide Fund and the RTRS have established the Soy Producer Support Initiative (SOYPSI) to support small farmers and agricultural workers, and help them prepare for certification. Through the programme, FrieslandCampina supports farmers in southern Brazil and India so that they can make their soy cultivation more sustainable. This increased sustainability centres on paying the farmers a fair price, limited use of pesticides, avoidance of soil depletion and not buying soy from areas where valuable habitats have been cleared. Certification is based on what is known as the 'book and claim system', where the certificates are traded separately from the product itself. FrieslandCampina buys certificates that correspond to the volume of milk it produces for its own brands in the Netherlands, Belgium and Germany. The revenue from the certificates goes to a development organisation that helps farmers in India produce soy more sustainably.

Together with producers and civil society organisations, FrieslandCampina is working to find ways to improve the sustainability of the soy chain.

Goed voorbeeld:

Mede dankzij Campina kan Solidaridad arme sojaboeren in India helpen om over te stappen op duurzamere sojateelt voor veevoer. Zo krijgen ze uitzicht op een beter bestaan voor hun gezin en worden de natuur en het milieu minder belast.



Volgen?

Solidaridad geeft sojaboeren in de Indiase deelstaat Madhya Pradesh toegang tot beter zaaigoed, landbouwkennis en de wereldmarkt. Een mooi project, waar echter nog veel meer geld voor nodig is. Wilt u ook helpen? Wordt dan **nu** donateur van Solidaridad.

Ga naar www.eerlijkesoja.nl, meld u aan als donateur en maak kans op een van de twee reizen naar India.

Solidaridad

Solidaridad | 't Goylaan 15 | 3525 AA Utrecht | 030 272 03 13 | www.solidaridad.nl | Solidaridad werkt samen met o.a. Stichting Natuur en Milieu.

“NGOs such as the World Cocoa Foundation often have a greater impact than commercial organisations. The foundation holds talks with heads of government centring on the interests of man and nature. The commercial interests of individual companies do not enter into these discussions. We are fully behind this approach and actively endorse it.”

Idwin Bouman, Director SHEQA & Food Safety,
FrieslandCampina Consumer Products Europe

Making cocoa production more sustainable

Many of the improvements that can be made in cocoa production involve human and environmental aspects. These include making more effective use of the soil and pesticides, and improvements in the working conditions and incomes of farmers and their employees. In March 2010, FrieslandCampina signed a declaration of intent for the purchase of sustainable cocoa. The aim of this declaration is to ensure that by 2015, 50% of all cocoa beans used in FrieslandCampina's cocoa products for the Dutch market are guaranteed sustainable, rising to 100% by 2025. FrieslandCampina is committed to promoting maximum cooperation throughout the chain in an effort to increase and guarantee the volume and availability of sustainable cocoa. In partnership with UTZ Certified, it is working on a certification programme for sustainable cocoa which was launched for Chocomel in 2010.

More information about UTZ Certified Cocoa can be found at www.utzcertified.org

World Cocoa Foundation

FrieslandCampina is a member of the World Cocoa Foundation, an international organisation dedicated to improving cocoa growing in Western Africa and other regions where cocoa is cultivated. Investments are made in training, in improving the quality of the cocoa beans and in providing better working conditions.

More information about the World Cocoa Foundation can be found at www.worldcocoafoundation.org

Making fruit production more sustainable

FrieslandCampina only uses fruit whose cultivation, ripening, harvesting and storage comply with strict requirements. It is working with its suppliers to devise programmes that help them to improve their quality, environmental impact, working conditions and profitability. FrieslandCampina only works with suppliers who carefully monitor the quality of their products, their impact on the environment and the health and safety of their employees. One of FrieslandCampina's key priorities in these programmes is to reduce the use of pesticides. Audits are used to help monitor and analyse the progress suppliers are making. Suppliers that fail to meet the audit programme's requirements can work with FrieslandCampina to draw up an action plan for improvements.

Objectives

- Energy-neutral dairy chain in the Netherlands by 2020
- Use of sustainably grown soy through the Sustainable Soy Initiative: 100,000 tonnes in 2010 and 150,000 tonnes in 2011
- 10% certified cocoa for Chocomel/Cécémel products made by FrieslandCampina Benelux by 2010
- 100% certified cocoa for Chocomel/Cécémel products made by FrieslandCampina Benelux by 2014 (subject to a sufficient supply of sustainably produced cocoa satisfies demand)
- 100% certified cocoa for all cocoa products made by FrieslandCampina Benelux by 2020 (subject to a sufficient supply of sustainably produced cocoa)

Appendices

1. An overview of all objectives

On this page, all objectives of FrieslandCampina stated in this CSR report are clustered.

FrieslandCampina in society

- Implementation of the new code of conduct in 2010
- Implementation of the new whistleblower procedure in 2010
- Implementation of the new Business Practices for Suppliers in 2010 and 2011

Nutrition & Health

- Develop further programmes in 2010 to reduce the sugar and salt content in consumer products
- Implement the Foqus Food Safety & Quality system in 2010
- Implement the environmental protection, health and safety and fire prevention system in 2010
- In 2010 and 2011, implement a programme to improve performances and corporate culture at all locations

Care for the environment

- Achieve a minimum 2% energy efficiency improvement per year, with 1.5% of this to be achieved at the production locations and 0.5% through measures in the chain
- 15% of electricity for production locations in the Netherlands to be purchased sustainably in 2010 and 100% renewable energy by 2020

Dedicated employees

- Further implement 'The Way We Work' strategy in 2010
- Maintain the rate of sickness absence in the Netherlands below 5% in 2010
- Ensure safety awareness training at the locations in 2010 and 2011
- Introduce the full version of the Performance Management System in 2010
- Make accident frequency ratios more reliable by standardising definitions in 2010

Sustainable agriculture

- Energy-neutral dairy chain in the Netherlands by 2020
- Use of sustainably grown soy through the Sustainable Soy Initiative: 100,000 tonnes in 2010 and 150,000 tonnes in 2011
- 10% certified cocoa for Chocomel/Cécémel products made by FrieslandCampina Benelux by 2010
- 100% certified cocoa for Chocomel/Cécémel products made by FrieslandCampina Benelux by 2014 (subject to a sufficient supply of sustainably produced cocoa satisfies demand)
- 100% certified cocoa for all Chocomel/Cécémel products made by FrieslandCampina Benelux by 2020 (subject to a sufficient supply of sustainably produced cocoa)

2. Processing the data and reliability of the data

Environmental and occupational safety data

The production locations of FrieslandCampina in the Netherlands have been gathering environmental and energy data for over a decade. This information is reported to the government as part of the company's covenant obligations. FrieslandCampina's production locations in Germany and Belgium have been reporting environmental data to their governments since 2004. The production locations in the United States, Russia and Thailand also notify data to their governments. This data is taken from the company's central environmental database, which was created following the merger by combining the databases of the two merging companies. A total of 68 production locations are covered by the database. 67 of these locations reported their data in 2009. These reports were used to compile the estimates included in this report (if the figure shown is an estimate, this is indicated). The environmental and occupational safety registration and reporting system will be further improved in the coming years. This will result in more accurate data-gathering. Since these refinements will initially be being made, independent verification is not yet appropriate.

Personnel data

The number of FTEs is based on information recorded in our financial systems. Data on sickness absence and diversity were requested separately and collated at head office. The reported data covers 60% of our staff complement. This data was used to calculate the estimates included in this report (if the figure shown is an estimate, this is indicated). The personnel registration and reporting system will be further improved in the coming years. This will result in more accurate data-gathering. Since these refinements will initially be being made, independent verification is not yet appropriate.

3. Alphabetical list of terms used

Audit covenant

A covenant to encourage as many consumers of industrial energy in Belgium as possible to become and remain leaders in energy efficiency.

Benchmarking covenant

A covenant under which companies work together to achieve maximum energy conservation and minimum greenhouse gas emission levels in accordance with the Kyoto protocol.

BHV (Bedrijfs hulpverlening)

The company's in-house emergency services.

BMI (Body Mass Index)

The ratio between a person's weight and height.

COD (Chemical Oxygen Demand)

An indicator showing levels of organic pollutants in waste water.

Codex (Codex Alimentarius Commission)

An international forum that compiles global standards for foods with a view to protecting public health worldwide and promoting fair trade in food products.

CDM (Continue DiergezondheidsMonitor)

Ongoing Animal Health Monitor. Continuous monitoring of animal health based on existing data. The system gives stockbreeders a large body of practical information with which to monitor the health of their livestock.

Clean and Energy Efficient Agro-Sectors Covenant

Covenant in which the Dutch Ministers of Agriculture and of the Environment concluded agreements with various parties on energy conservation, production and consumption of renewable energy and reduction of greenhouse gas emissions in the Netherlands.

CSR

Corporate Social Responsibility.

EDA (European Dairy Association)

Organisation representing the interests of the European dairy industry to the EU institutions (European Commission, European Parliament, Council of Ministers, Economic and Social Committee) and international organisations (Codex Alimentarius, World Trade Organisation).

FNLI (Federatie Nederlandse Levensmiddelen Industrie)

Dutch Food Industry Federation. Umbrella organisation representing companies and branch organisations in the Dutch food industry (food and non-food).

Foqus

The new quality system used by FrieslandCampina member farmers since 1 January 2010. Foqus contains practical tools to help members meet the requirements imposed by buyers and the authorities.

FTE

Fulltime Equivalent.

GMO

Genetically modified organisms. Genetic modification involves the specific and deliberate alteration of an organism's genes through human intervention, and is an aspect of gene technology.

GRI

Global Reporting Initiative. The international guideline for reporting on sustainability and corporate social responsibility.

HACCP

Hazard Analysis and Critical Control Points. A food safety management system based on analysis and audits of the biological, chemical and physical dangers associated with the production of raw materials and the purchasing, processing, production, distribution and consumption of the end product.

IDH (Initiatief Duurzame Handel)

Sustainable Trade Initiative. A Dutch organisation committed to sustainable international trade chains in commodities such as soy, timber, cocoa, cotton and fish. IDH brings parties together on a sector-by-sector basis to persuade the market to adopt sustainable production and trade as standard practice.

IDS (Initiatief Duurzame Soja)

Sustainable Soy Initiative. Programme launched by the Sustainable Trade Initiative to broaden international support for the Roundtable on Sustainable Soy, accelerate the certification of producers in Latin America and boost demand.

[IKB \(Ik Kies Bewust\)](#)

'Choices'. The Dutch organisation behind the 'Choices' logo shown on products containing lower levels of salt, sugar and saturated fats.

[IKM](#)

Integrated Milk Quality Assurance. The quality assurance system for farm milk in Belgium.

[IMT](#)

Integrated Environmental Targets Covenant; indicates the environmental targets of the whole of the sector in the Netherlands.

[ISO 9001](#)

A standard that imposes requirements on the quality management system of an organisation and the way in which that organisation pursues its quality policy.

[ISO 14001](#)

One of the ISO 14000 series standards. ISO 14001 is applied worldwide to establish and certify environmental management systems.

[ISO 26000](#)

A standard with various aims designed to help organisations implement CSR.

[LCA](#)

Life cycle analysis. A method for calculating the total environmental burden of a product throughout its entire life cycle.

[LEI \(Landbouw Economisch Instituut\)](#)

Agricultural Economic Institute in the Netherlands (part of Wageningen University and Research Centre).

[LTO \(Land- en Tuinbouw Organisatie\)](#)

Dutch Federation of Agriculture and Horticulture. A Dutch organisation for collective representation, individual service provision and group-based activities for Dutch agricultural entrepreneurs.

[MJA-3 \(Meerjarenafspraak energie-efficiency\)](#)

The Multi-annual Agreements on Energy Efficiency are agreements concluded between the Dutch government and companies and institutions to improve the effectiveness and efficiency of energy consumption.

[NZO \(Nederlandse Zuivel Organisatie\)](#)

Dutch Dairy Association. The branch organisation for the Dutch dairy industry.

[NGO](#)

Non-governmental organisation.

[OHSAS 18001](#)

A guideline in the Occupational Health and Safety Assessment Series.

['Outdoor-grazed milk'](#)

Milk from cows that have been released for outdoor grazing for at least six hours a day, 120 days a year, from spring to autumn.

[QM-Milch](#)

Quality assurance system for farm milk in Germany.

[RTRS](#)

Roundtable on Responsible Soy. An international platform in which soy producers, the soy trade, the processing industry, banks and civil society organisations work together to develop and implement sustainability criteria for global soy cultivation.

[RSPO](#)

Roundtable on Sustainable Palm Oil. A not-for-profit association that unites stakeholders from the seven sectors of the palm oil industry to develop and implement international standards governing sustainable palm oil.

[SOYPSI programme](#)

Soy Producer Support Initiative. An international programme promoting sustainable soy cultivation.

[SAI Platform](#)

Sustainable Agriculture Initiative. A platform established by the food industry to globally communicate and actively support the development of sustainable farming involving various stakeholders in the food chain.

[Sustainable Soy Task Force](#)

A platform of Dutch companies in the soy chain that are committed to making a contribution to sustainable soy cultivation.

Sustainable Stockbreeding Implementation Agenda

An alliance between four farming umbrella organisations, two nature conservation and environmental organisations, a bank, provinces and the Dutch central government to promote sustainable, animal-friendly stockbreeding.

UTZ Certified

An international certification programme for responsible coffee and cocoa.

WHO

World Health Organisation. A specialist UN agency.

4. External representations and memberships

FrieslandCampina is member of or participates in the following assemblies or organisations:

- ABA/Detic (Belgische Aerosol Vereniging)
- Association of International Juice Manufacturers (AIJN)
- Association for the Food Industries of Particular Nutritional Uses of the European Union (IDACE)
- Belgische Confederatie Zuivelindustrie
- Centraal Orgaan Kwaliteitszorg Zuivel (COKZ)
- Choices International Foundation
- CIAA (European Food and Drinks Industry Association)
- Eigen Vervoerders Organisatie (EVO)
- European Dairy Association (EDA)
- European Whey Producers Association (EWPA)
- Federatie Nederlandse Levensmiddelen Industrie (FNLI)
- Fevia (Belgische Voedingsmiddelen Federatie)
- Gemeenschappelijk Zuivelsecretariaat (GEMZU)
- Global Dairy Platform
- International Life Science Institute (ILSI Europe)
- International Dairy Federation (IDF)
- Initiatief Duurzame Soja
- International Infant Food Association (ISDI)
- Land- en Tuinbouworganisatie (LTO)
- Milch Industrie Verband (MIV) Duitsland
- Nationale Cooperatieve Raad
- Nederlands Nationaal Comité van de Internationale Zuivelbond
- Nederlands Normalisatie Instituut
- Nederlandse Vereniging Frisdranken, Waters en Sappen (FWS)
- Nederlandse Zuivel Organisatie (NZO)
- Productschap voor Zuivel (PZ)
- Regulier Overleg Warenwet (ROW)
- Round Table for Responsible Soy
- Round Table on Sustainable Palm Oil
- Stichting Ik Kies Bewust
- Stichting Food Valley
- Stichting RMO controle
- Stuurgroep UTZ cacao
- Sure Global Fair
- Sustainable Agriculture Initiative Platform (SAI)
- Task Force Duurzame Soja
- Top Institute Food and Nutrition
- Vereniging Nederlandse Fabrikanten Kinder en Dieetvoeding (VNFKD)
- VNO-NCW
- World Cocoa Foundation

This list is not definite.



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